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December 17, 2002

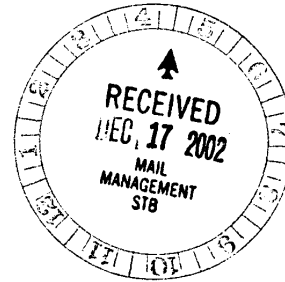
**IMMEDIATE ATTENTION REQUESTED**

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20004-2134

ENTERED  
Office of Proceedings

DEC 18 2002

Part of  
Public Record



RE: *SF&L Railway, Inc.--Abandonment Exemption--In Hancock, McDonough, Fulton and Peoria Counties, IL*  
STB Docket No. AB-448 (Sub-No. 2X)

Dear Secretary Williams:

I represent Keokuk Junction Railway Company ("KJRY"). KJRY seeks immediate clarification of the status of the above-referenced abandonment so that it can protect its interests in possibly purchasing the involved line through an offer of financial assistance ("OFA").

KJRY owns lines adjoining the Peoria-La Harpe line, which is the subject of the above-referenced abandonment proceeding. Accordingly, KJRY has considered filing an OFA in this proceeding. However, it currently is unclear (a) who owns the Peoria-La Harpe line, (b) what interests they own, (c) who the proper petitioner is in this abandonment proceeding, and (d) whether the petition is even proper at this time. Accordingly, KJRY seeks immediate clarification of this situation.

The uncertainty in this situation arises from 4 related proceedings - *SF&L Railway, Inc.--Acquisition and Operation Exemption--Toledo, Peoria and Western Railway Corporation*, STB Finance Docket No. 33995; *Kern W. Schumacher and Morris H. Kulmer--Continuance in Control Exemption--SF&L Railway, Inc.*, STB Finance Docket No. 33996; *Western Illinois Railway Company--Acquisition Exemption--Toledo, Peoria & Western Railway Corporation*, STB Finance Docket No. 34282, and *RailAmerica, Inc., et al.--Corporate Family Reorganization Exemption--Western Illinois Railway Company*, STB Finance Docket No. 34283.

In the former two proceedings, by decision effective November 16, 2002, the Board revoked SF&L Railway's exemption to acquire the Peoria-La Harpe line, and ordered the line reconveyed immediately to RailAmerica. No timely petition for reconsideration stayed the effect of the Board's decision. However, on December 13, 2002, SF&L filed a petition seeking reopening of the proceeding, stay of the Board's decision, and other relief. Therein, SF&L stated

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that it had not complied with the Board's direction to transfer the Peoria-La Harpe line back to RailAmerica.

In the meantime, TP&W submitted a filing in the instant matter, asking to be substituted for SF&L as the petitioner, and seeking to pursue the abandonment. However, in the latter two matters listed above, TP&W apparently seeks to transfer some portion of its or prospective interests in the Peoria-La Harpe line to another RailAmerica subsidiary, while retaining the common carrier obligation on the line. TP&W has moved to dismiss the latter two proceedings on grounds that the transfer of the rail assets is not subject to regulation.


As a final complicating factor, SF&L yesterday filed a petition for review of the Board's October 17 decision in *SF&L Railway, Inc.--Acquisition and Operation Exemption--Toledo, Peoria and Western Railway Corporation*, STB Finance Docket No. 33995, *et al.*, before the U.S. Court of Appeals for the Tenth Circuit. *SF&L Railway, Inc., et al. v. Surface Transportation Board, et al.*, 10<sup>th</sup> Docket No. 02-9591 (filed Dec. 16, 2002). The filing of this court action affects the Board's jurisdiction to continue to make decisions in the Finance Docket Nos. 33995 and 33996 matters, in turn affecting who actually owns the Peoria-La Harpe line.

As matters presently stand, SF&L has filed to abandon a line which it should already have conveyed back to TP&W. Meanwhile TP&W seeks to transfer interests in the line, which it may not yet own, while at the same time asking authority to abandon the line. Because of this whirlwind of conflicting requests, KJRY does not know whether the Peoria-La Harpe line is still subject to an abandonment effort and, if it is, to whom KJRY should look in seeking to make an OFA and to obtain the information that the abandoning party is obligated to provide to a potential offeror.

KJRY urgently requests clarification from the Board of the current posture of the proceedings mentioned in this letter and whether KJRY must make an OFA by the end of the year to preserve its opportunity to do so and, if so, to whom to make the offer.

I am enclosing an original and 11 copies of this letter. Please file stamp the 11<sup>th</sup> copy hereof and return it to the messenger for return to me. I hereby certify that a copy of this letter is being served today on all known parties of record in this matter.

Sincerely,



William A. Mullins

cc: Guy Brenkman  
All Known Parties of Record